

What the Numbers Say

Montana Department of Commerce

Volume 2, Issue 4, Fall 2006 Newsletter

Census and Economic Information Center

RECENTLY RELEASED

November 14
[Race, Hispanic Origin, Ancestry](#)

November 8
[Data Map](#)
[Veteran Status by County, 2000](#)

October 26
[Gross Domestic Product by State, 2005](#)

October 3
[American Community Survey Housing Characteristics, 2005](#)

September 26
[State per Capita, Personal and Detailed Industry Income, 2005](#)

UPCOMING RELEASES

December 2006

State Population Estimates:
2006

CEIC WEB SITE

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Montana Department of Commerce

Turning Data Into Knowledge

Pam Harris, Bureau Chief

In our summer article on redistricting, we reminded readers that it is not too early to start thinking about the 2010 Census. A major facet of the preparation for the upcoming decennial census is the geography programs which will kick off in January, 2007 with the Local Update of Census Addresses (LUCA) program. LUCA is the geographic partnership that allows the Census Bureau to use local knowledge to develop the Master Address File for the 2010 Census.

Readers will hear more information in greater detail about upcoming geographic programs in future newsletters from CEIC's new GIS Coordinator, Lorie Palm. Lorie joins us from NorthWestern Energy. She brings a wealth of geographic knowledge, notable GIS skills and an understanding of the U.S. Census Bureau from her experience with their Geography Division in Atlanta, Georgia.

Continuing with staff updates, Montana now has more of a voice in planning for future censuses. In August, I was elected to the U.S. Census Bureau National State Data Center Steering Committee. With nine members from around the country, the committee represents the interests of some 1,800 member agencies whose mission is to advise the Bureau on the administration and operation of the State Data Center Program and assist them in census operations planning, subject content and data products.

Enough staff news, now on to the good stuff. In this edition our colleagues in the Community Development Division (CDD) share their thoughts on population distribution in incorporated and unincorporated areas around the state. In *Economic News, Measuring Montana*, find out which industry sectors boosted Montana's robust 5.2% increase in its gross domestic product, and last but not least, check out our recent web survey results in *Web Sights* starting on page four. ■

What the Numbers Say

Incorporated vs. Unincorporated Population

All indicators say Montana's accelerating population growth will continue. In this issue our feature data map (page two) and story (page three) address this population acceleration phenomenon. Our data map, *Montana Counties with High Population Growth, Incorporated vs. Unincorporated Areas, Percent Change 2000 to 2005*, shows the rate of population growth in incorporated and unincorporated areas for the fifteen fastest growing counties. The accompanying story written by the Community Development Division (CDD) here in Commerce, updates its 2001 analysis on the impact population growth has on communities throughout Montana using the new population estimates.

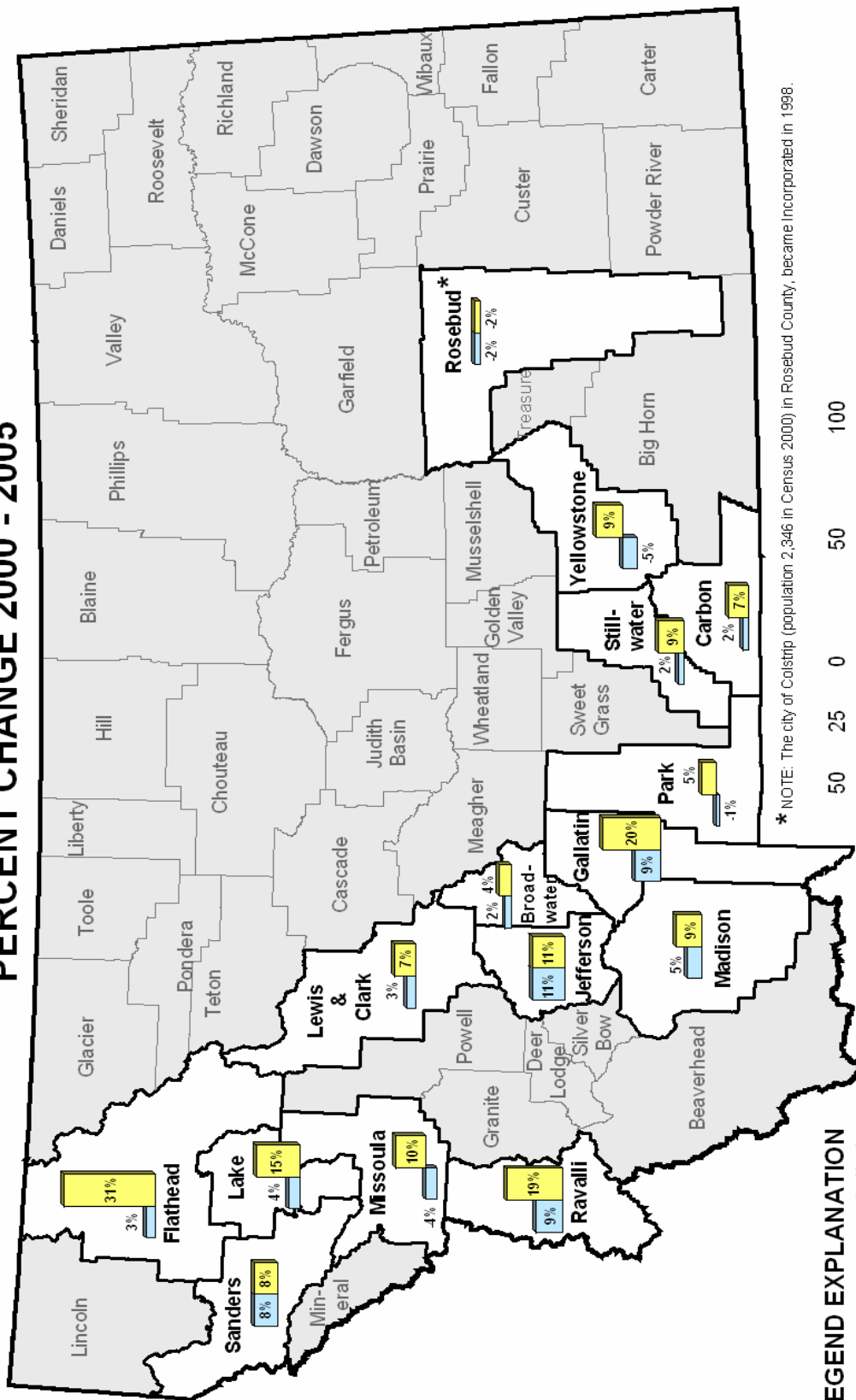
To access the complete file with detailed county data go to CEIC's web site at <http://ceic.mt.gov/EstimatesCntyPop.asp>. For a look at the corresponding 1970 to 2000 county map click on http://ceic.mt.gov/graphics/Data_Maps/IncVsUninc1970-2000.pdf. ■

In this Issue:

- Data Map - Montana Counties with High Population Growth Incorporated Vs. Unincorporated
- Urban and Rural Growth in Montana Incorporated Vs. Unincorporated Areas - Update
- Web Sights - The Results are In!
- Economic News: Measuring Montana

Do not put your faith in what statistics say until you have carefully considered what they do not say. ~William W.

MONTANA COUNTIES WITH HIGH POPULATION GROWTH INCORPORATED VERSUS UNINCORPORATED AREAS PERCENT CHANGE 2000 - 2005



* NOTE: The city of Colstrip (population 2,346 in Census 2000) in Rosebud County, became incorporated in 1998.

LEGEND EXPLANATION

The Percent of Change in the Unincorporated Population from 2000 - 2005 is shown in the left-hand column.

In this example, the number of people living in Unincorporated areas of the county grew by 9% in that 5 year window.



The Percent of Change in the Incorporated Population from 2000 - 2005 is shown in the right-hand column.

In this example, the number of people living in Incorporated areas of the county grew by 20% in that 5 year window.



Scale of Miles



Created by:
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Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and Population Estimates Division.

November 2006 - IncVsUninc2000-2005_b&w.mxd

Urban and Rural Population Growth in Montana

Gus Byrom, Community Development Block Grant (CDBG) Program Manager – Housing and Public Facilities
Kathryn Brenden, CDBG Program Specialist
Community Development Division, Montana Department of Commerce

In 2005, the U.S. Census Bureau's estimate for the state's population was 935,670 – up almost four percent from 2000. Of particular interest, in contrast with trends set during the previous thirty years (see side bar), these latest estimates show a greater proportion of population growth occurring within incorporated areas of the state as opposed to unincorporated areas. CEIC recently compiled a population table which shows Montana's incorporated cities and towns increased 6.2 percent in population from 2000 to 2005, while unincorporated areas only increased by 0.8 percent. The higher increase in growth within the boundaries of incorporated communities is likely due to the increased rate of annexation of adjoining unincorporated areas.

The accompanying data map (page 2) illustrates the percentage of growth which occurred in incorporated communities versus unincorporated areas from 2000 to 2005 for the fifteen fastest growing Montana counties. As the map legend explains, the left hand columns note the percent of change in unincorporated areas from 2000 to 2005. The right hand columns illustrate the percent of change in incorporated areas during this same time period. Note that in every instance, growth in the incorporated areas either met or surpassed the rate of growth of unincorporated areas, indicating a reversal of the trend demonstrated during the period from 1970 to 2000. (http://www.ceic.mt.gov/graphics/Data_Maps/IncVsUninc1970-2000.pdf).

A “Snapshot” Look at Five Fast Growing Counties

In the period from 1970 to 2000, Montana's five fastest growing counties were Ravalli, Gallatin, Jefferson, Flathead, and Lake Counties (in this order). These counties experienced gradual growth from 1970 to 2000, but population growth in the unincorporated areas far outpaced the incorporated communities.

The data from 2000 to 2005 show a different trend for

incorporated cities and towns in these same five counties. (See Chart 1: *Net Growth of Five Fast Growing Counties – Unincorporated vs. Incorporated Areas.*) Note that in the five-year period from 2000 to 2005, the net increase in growth for these counties was greater in incorporated areas as compared to unincorporated areas. In the preceding decades (1970 to 1980, 1980 to 1990, and 1990 to 2000), growth was always considerably greater in the unincorporated areas.

Incorporated Versus Unincorporated Areas – A Look Back

In May 2001, the Community Development Division of the Montana Department of Commerce evaluated population trends within Montana's incorporated cities and towns, compared to unincorporated areas, from 1970 to 2000. The report specifically analyzed patterns of population growth in Montana's fifteen fastest growing counties.¹

According to Census 2000 data from the U.S. Census Bureau, Montana's population increased approximately 30 percent from 694,409 in 1970 to 902,195 by the year 2000. During this thirty year period, several counties experienced a surge of new residents. For example, Ravalli County increased 150 percent in population; Gallatin County increased 109 percent; Jefferson County increased 92 percent; and Flathead County increased 89 percent.

Census data also indicates that the population growth was unevenly distributed between incorporated and unincorporated areas. During the period from 1970 to 2000, overall population growth within Montana's incorporated cities and towns increased only 20 percent while growth in unincorporated areas jumped 44 percent. In fast-growing Ravalli County, incorporated communities of Darby, Hamilton, Pinesdale, and Stevensville grew 74 percent between 1970 and 2000. However, in contrast, unincorporated areas within Ravalli County grew 179 percent during the same time period. In Gallatin County, incorporated communities of Belgrade, Bozeman, Manhattan, Three Forks, and West Yellowstone grew 65 percent, while unincorporated areas grew 210 percent.

¹ Montana's Growth Policy Resource Book, Montana Department of Commerce, Community Development Division, <http://www.comdev.mt.gov/>

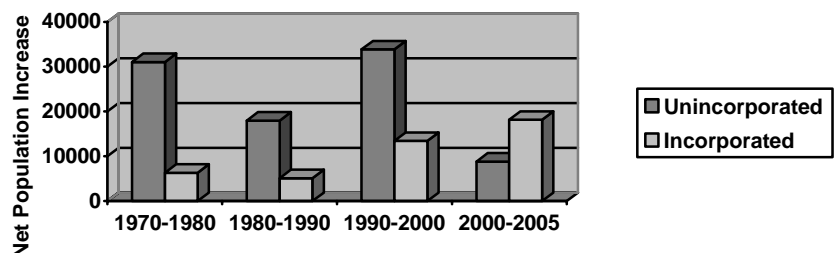


Chart 1: Net Growth of Five Fast Growing Counties
Ravalli, Gallatin, Jefferson, Flathead, and Lake Counties
Unincorporated vs. Incorporated Areas

Impact on Local Governments

To help meet rising costs associated with this population growth, local governments seek low interest loans and grants from federal and state infrastructure funding programs. In Montana, many local governments rely on the state-funded Treasure State Endowment Program (TSEP) or the federally-funded Community Development Block Grant program (CDBG) to provide grants to help keep their infrastructure improvements affordable. However, these programs have not been able to keep up with the demand for funds.

During the spring of 2006, the TSEP program received 57 applications from Montana local governments for infrastructure assistance – the largest number of applications ever received - mostly for water and wastewater improvements. However, with approximately \$17 million available for the 2006-2007 biennium, it appears that TSEP will only be able to fund about 30 applications.

Similarly, the Montana CDBG program, with \$2.8 million estimated to be available for Federal Fiscal Year 2007, received seventeen local government applications for infrastructure and related public facility improvements: the largest number of applications in ten years. CDBG will probably be able to assist only about one third of the projects

Conclusion

These trends have important implications for Montana local governments. All new growth will require public services and infrastructure in some form or another. As the trend of accelerated growth in incorporated areas continues, Montana's cities and towns face increased demands to extend municipal water and sewer services to accommodate additional annexations of developing areas. This places tremendous pressure on cities to create equitable and affordable means to finance the new growth. Similarly, counties continue to face growing demands to provide more services where development occurs in unincorporated areas.

It is hoped that this population trend analysis will be useful to Montana's local elected officials and staff as they develop land use and capital improvement plans in response to Montana's continuing population growth. To view and download the full incorporated vs. unincorporated Excel file with all years and geographic areas, go to <http://www.ceic.mt.gov/estimatesCntyPop.asp>. ■

Web Sights

The Results are In

Christine Wolfe, Information Technology Specialist/WebMaster

Our sincere thanks to the state employees, economic development organizations, libraries, students and educators who took the time to participate in CEIC's first on-line website user survey, "Turning Data into Knowledge." Your feedback on the quality of our services and input on areas where we can improve are appreciated as we continue our efforts to make the site a more useful product for you.

Over-all we found out that we are meeting the needs of most of our clients. In particular you like:

- ❖ Our data and census map pages and use them extensively and
- ❖ The ability to download our maps for a prepared visual representation of popular census data or data from other reliable sources such as the Bureau of Economic Analysis

On the 'please give us more' side, you asked for:

- ❖ More Montana-specific details and analysis with additional comparisons and rankings of Montana to other states and the nation as a whole and
- ❖ An easier procedure for receiving individual help from CEIC staff.

We are excited about implementing your suggestions while keeping up the high quality of the data you have already come to rely on. Our overall goal has been and continues to be to make your experience on the CEIC website the best it can be. We are planning to repeat the survey periodically to monitor our progress and keep abreast of your changing needs. We hope that those who participated this time will do so again and for those that couldn't, we hope you will jump on board at the next opportunity. ■

Economic News: Measuring Montana *Gross Domestic Product by State*

Susan Ockert, Senior Research Economist

Montana Jumps Up Rankings to Number 11 Nationally in 2005

Measuring a state's economy is just as important as measuring the national one. For states like Montana it gives governments, businesses and consumers a bird's-eye view of where we are, where we are going and how we stack up against our neighbors in the west as well as the rest of the country.

In 1985 the [U.S. Bureau of Economic Analysis](#) (BEA) developed the Gross State Product as a counterpart to Gross Domestic Product (GDP) which measures the economic health of the U.S. In October 2006, BEA changed the name to Gross Domestic Product by State.

The State's Economic Overview

The latest BEA information shows in the 2004-2005 time period, Montana's economy was robust, growing at a rate of 5.2%, moving the state to an 11th place national ranking. At that time the Treasure State's GDP was approaching \$30 billion.

As Table 1 shows there has been a substantial amount of activity since the 1997 to 2004 time period when Montana's economy grew on average 2.7% annually, placing the state 26th in the nation. Rankings are based on real GDP, i.e., adjusted for inflation.

In the private sector, Montana's real economic growth of 5.2% between 2004 and 2005 was driven by three industrial sectors: Real Estate which contributed 0.83 percentage points, Health Care at 0.51 points and Construction at 0.50.

The Housing Boom

Montana experienced a housing boom in 2004 to 2005 similar to that in the rapidly growing 'retirement' states of Arizona, Nevada, and Florida. The buying and selling of houses in Montana added 0.83 percentage points to Montana's 5.2% growth rate.

What's Behind the Economy's Numbers?

Measuring the performance of an economy ...nationally and locally...provides valuable information to businesses, consumers and governments. Businesses analyze how their specific industry is performing in terms of sales, prices, employment and wages. If the data indicates the economy is slowing down, businesses can adjust their buying and spending habits.

Consumers also want to know how the economy is doing, how its performance can impact their lives and if they will need to adjust their buying and spending habits. Consumers, who account for 67% of all activity in the U.S. economy, drive the economy through their purchases of goods and services and payments of federal, state and local taxes.

Federal, state and local governments rely on current information about the economy, especially information about tax payments which serve as an indicator on whether they will need to adjust their spending on public activities including highway maintenance, schools, snow removal, and pollution abatement. On the other hand if an economy is growing, tax revenues also increase allowing governments to either spend more on public projects or save for a so-called 'rainy day.'

What's behind the numbers that make-up the Gross Domestic Product (GDP), the most comprehensive national measurement of the U.S. economy's health? It's the flow of money between consumers, businesses and governments that makes the 'world go around.'

Table 1. GDP Growth and Rankings

State	Annual Average Growth Rate 1997-2004		Percent Change 2004-2005	
	Percent	Rank	Percent	Rank
Montana	2.7	26	5.2	11
Idaho	5.0	2	7.4	4
North Dakota	2.3	34	5.3	10
South Dakota	4.1	8	2.9	29
Wyoming	3.0	22	3.8	21
United States	3.1		3.6	

Table 2. Real Estate Contribution to Percent
Change in Real GDP

State	Percentage Points (PP)	Rank
Florida	1.82	1
Arizona	1.45	2
Idaho	1.23	3
Nevada	1.15	4
Utah	.89	5
Montana	.83	6
United States	.32	

Construction

New houses seemingly sprout up overnight indicating that the Construction industry remains strong. Montana and Utah are tied at sixth place in terms of Construction's contribution to their respective GDP's.

Health Care

Only two other states experienced stronger growth than Montana's 0.51 percentage points climb in the Health Care industry. Arizona's was 0.59 while Tennessee's was 0.56.

Traditional Industries

While some of Montana's traditional industries, including Tourism, Mining and Agriculture showed smaller percent contributions to Montana's GDP than Real Estate, Construction and Health Care when viewed from a national perspective, these industries are doing well.

Tourism

Two industries closely associated with Tourism are Accommodations and Food Services and Arts, Entertainment and Recreation. Commonly called hotels and restaurants, Accommodations and Food Services provided 0.16 percentage points towards Montana's 5.2% growth rate. As the table below shows, the Treasure State tied with Tennessee and Utah for sixth place honors. Our Arts, Entertainment and Recreational activities fared even better, third behind the District of Columbia and Nevada.

Table 3. Construction Contribution to Percent Change in Real GDP

State	PP	Rank
Nevada	1.11	1
Arizona	.84	2
Florida	.73	3
Hawaii	.65	4
Idaho	.52	5
Montana	.50	6
Utah	.50	6
United States	.13	

Table 4. Tourism Industries

Accommodations & Food Services			Arts, Entertainment and Recreation		
State	PP	Rank	State	PP	Rank
Nevada	1.59	1	Nevada	.14	1
Hawaii	.52	2	District of Columbia	.13	2
Florida	.34	3	Montana	.10	3
Arizona	.26	4	United States	.02	
District of Columbia	.25	5			
Wyoming	.25	5			
Montana	.16	6			
Tennessee	.16	6			
Utah	.16	6			
United States	.13				

Mining

Only Oklahoma, North Dakota and Utah's Mining sectors posted stronger growth than Montana: 0.91, 0.35, 0.35 and 0.12 respectively. Production is up in both the Oil and Gas and Coal sectors in Montana.

Agriculture

Montana's farmers continue to realize good harvests. Only three states experienced larger growth than Montana's 0.29: North Dakota at 1.30, Kansas 0.65 and Vermont 0.36.

Overall, the largest industrial sector in Montana is Government, which includes Federal, State and Local levels. Government accounts for 16% of Montana's GDP. For more information about Montana's industrial sectors, visit CEIC's [Gross Domestic Product by State](#) web page. ■